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JOINT INSPECTION UNIT

The revised round-table process

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly his comments on the report of the Joint Inspection Unit entitled "The revised round-table process" (A/48/61).

ANNEX

Comments of the Secretary-General

I. INTRODUCTION

1. The present study was included in the work programme of the Joint Inspection Unit at the request of the Food and Agriculture Organization of the United Nations (FAO). In the process of the preparation of his report, the Inspector held in-depth consultations with FAO, other specialized agencies of the United Nations system, a number of United Nations departments and, more particularly, with the United Nations Development Programme (UNDP) and a number of Governments of the least developed countries having round-table arrangements with UNDP.

2. The Inspector comes to the conclusion that, in its 20 years of existence, the round-table machinery has become more complex. Among the obstacles to achieving the objectives of the round tables, the Inspector cites the absence of administrative infrastructure, the lack of cadres, the low absorptive capacity of least developed countries and, most importantly, the fact that the profile of the round-table process is no longer clearly perceived and its specific usefulness has become obscure. In the view of the Inspector, the round tables make little effort either to assess the impact of various activities undertaken within the programme cycle, including the organization of meetings, the preparation of strategy documents, the collection of data and so on or to estimate the resources generated or to measure the effectiveness of the various programmes. The above and other weaknesses of the round tables raise the overall problem of the responsibility for the success or failure of round-table activities.

3. The Inspector draws the conclusion that in order to allocate to the round-table process specific tasks that distinguish it from other technical cooperation activities and to reduce the number of round-table meetings and documentation, the three main objectives of round tables should be reviewed, namely (a) the generation of additional resources; (b) the strengthening of capacities and infrastructure for aid coordination and management; and (c) the formulation of long-term strategies.

4. The Inspector recommends that, in view of the great needs of the least developed countries for all types of financing, the round tables should assist them in generating steadily increasing additional funds and/or debt relief. With the agreement of the countries concerned, UNDP should organize, in their capitals, annual meetings that would be attended by all potential investors. Government requests for additional financing should relate to specific projects formulated with the assistance of UNDP for which financing had not been found within the framework of bilateral and multilateral agreements. The Government concerned should be responsible for ensuring that the projects presented fit into its long-term development strategy and were priority projects. The Inspector also recommends that the funds generated through the round tables should be allocated directly to UNDP, to the United Nations and specialized agencies, or to the beneficiary Governments responsible for execution of those projects.

5. The Inspector further recommends that, in order to avoid duplication and achieve a judicious share-out of the round table and the National Technical Cooperation Assessment and Programmes (NaTCAPs) processes in those least developed countries having both arrangements, activities to strengthen aid coordination and management institutions should be reserved for the NaTCAPs, in particular by establishing services responsible for collecting data and statistics on aid and technical cooperation, the coordination of aid and channelling it towards the execution of operational programmes and projects. In other least developed countries still without NaTCAP arrangements, UNDP should aim its activities at enabling the beneficiary Governments to undertake, in the long term without assistance, all the tasks relating to the coordination and management of aid and technical cooperation.

6. In his third recommendation, related to the formulation of a development strategy, the Inspector makes the proposal that, in order to consolidate the various macroeconomic studies and economic and social programmes and plans, and to integrate them into long-term development strategies, UNDP should help the least developed countries concerned to establish or strengthen the existing government services responsible for the preparation and updating of long-term development strategies, and provide a framework for the action of the various bilateral and multilateral partners.

II. GENERAL COMMENTS

7. The Secretary-General has found the report a timely study, in view of the increasing constraints a number of least developed countries face in mobilizing resources for development. The report correctly points out the need to rationalize the burgeoning infrastructure associated with the round-table mechanism, with a view to increasing harmonization and avoiding duplication with related activities of the United Nations system. Of particular note in that respect is the linkage between the round tables and the NaTCAPs in the sphere of aid coordination.

8. The subject of the study is of major interest to the United Nations, as far as it reviews one of the key elements in the arrangements made for the implementation, follow-up, monitoring and review of the Programme of Action for the Least Developed Countries for the 1990s adopted by the Second United Nations Conference on the Least Developed Countries in 1990. a/ The round tables provide a forum for dialogue and coordination between least developed countries and their development partners, based on the principles of partnership and mutual commitment set out in the Programme.

9. The structure of the report was found to be rather well conceived. Following an assessment of the evolution of the round-table mechanism, the study deals with the role of round tables in generating additional aid, and in the formulation of development strategies and the coordination of assistance. The assessment leads to recommendations, which can be supported in principle.

10. However, in some instances the report was found to contain a number of shortcomings, which, to some extent, diminished the value of the study. One of the main problems is that, in the process of the preparation of the report, consultations were not held with any major bilateral or multilateral donors. It

is widely believed that if the objectives of the round-table process are to engage in a policy dialogue over the recipient country's development strategy, to reach a consensus on actions to be undertaken and to mobilize resources for the implementation of an agreed strategy, an assessment of the achievements of the round-table process in comparison with its objectives should necessarily take account of the views of all the major participants in that process. Otherwise, the lack of consultations with donors can lead to proposals that may be not at all acceptable to them.

11. The Inspector is right to review the evolution of the round-table process over time, involving the transformation from a mechanism limited to assistance in raising funds (until 1984), to a series of actions involving convening of round tables for major donors followed by in-country review meetings and sectoral/thematic consultations (1985-1990), and further to the concept of the round tables as a continuous process of coordination and management of external aid programmes, assistance in the preparation of long-term strategies and strengthening of national institutional infrastructures and capacities for the coordination of aid programmes. At the same time, the author of the study seems to overlook the reality of the above trend as well as the content and modality of the round tables. And the reality is that the round-table mechanism has mirrored some of the practices of the World Bank-sponsored consultative group meetings in attempting to move countries along the path of structural adjustment and encouraging them to adopt a more reformist stance. The round tables are no longer simply a facility for soliciting project financing, as originally conceived, but have been used in many instances as a forum for expressing opinions on governance, degree of democracy, human rights and so on. This has tended to politicize the round-table process and has exposed countries to the pressure of the donors, who have at times used round-table meetings to encourage the least developed countries to adopt the agenda recommended by the donor community.

12. In the view of some United Nations entities, much of the focus of the report is on a perceived overlapping of the round-table process with the NaTCAPs, without establishing the conceptual difference between those two exercises. There is no doubt that they are interrelated processes and certain round-table preparatory activities are funded and carried out as technical cooperation activities. Nevertheless, the round-table process is not, and should not be, considered a mere technical cooperation activity. The basic function of the round tables as a mechanism for the follow-up to the Programme of Action for the Least Developed Countries at the national level is to bring together those countries and their development partners, to review the development strategies of least developed countries and to mobilize funds for their financing, taking a comprehensive approach to the financial flow needed, as set out in paragraph 131 of the Programme. It should also be noted that NaTCAPs only concern technical cooperation and not other forms of development assistance (aid in capital and balance-of-payment assistance, for instance), which are normally also discussed at round-table meetings. Given the mandate attributed to the round-table process in the Programme of Action and taking into account that the donor countries are major actors in that process, a redefinition of the tasks and format of the round-table meetings such as that recommended by the Inspector does not fall within the competence of the United Nations system alone.

13. With regard to the suggestions of the Inspector for improving coordination between concerned United Nations organizations, particularly UNDP and the United Nations Conference on Trade and Development (UNCTAD), it should be mentioned that the role of the regional commissions, which are responsible for the follow-up to the Programme of Action at the regional level, as well as for the monitoring of the economic cooperation between the least developed countries and other developing countries in their respective regions, has not been properly reflected in the report.

14. Some United Nations organizations believe that the views of the least developed countries, which are supposed to be the main beneficiaries from the round-table exercise, should have been given more emphasis in the report, and that the study of the experiences of those countries in organizing round tables and of the benefits derived from them would have enhanced the value of the report significantly.

15. It should also be mentioned that the report contains some contradictions, in particular, in the conclusions and recommendations of the Inspector concerning the frequency of the round-table meetings, as well as some inaccuracies in tables, which include several large projects or their components unrelated to the round-table process.

III. COMMENTS ON RECOMMENDATIONS

Recommendation 1. The round-table process should aim, within the framework of a simplified and less cumbersome procedure, at assisting those least developed countries which so desire in holding annual meetings to reduce their debt and to generate additional funds for financing priority projects for which no other source of financing has been found. The funds generated through the round tables should be allocated directly to UNDP, or to the United Nations and specialized agencies, or to the beneficiary Governments responsible for execution of these projects, in order to reduce the number of intermediaries and shorten time-lags.

16. We can support this recommendation in its part that calls for the improvement of the round-table mechanism. However, we can hardly agree with the proposal to organize the round-table meetings on an annual basis, as it might be too frequent and too demanding on the resources of UNDP, recipient Governments and donor Governments. Instead, it could be proposed that the timing of the meetings should coincide with the preparation of the medium-term plan or an adjustment programme of a recipient country. It should also be mentioned that the role of the round-table meetings in debt reduction is not adequately discussed in the report.

17. Secondly, it needs to be assessed whether, under all circumstances, funds made available through bilateral arrangements should be limited to use through the United Nations system or through Governments. We consider this limitation an unnecessary restriction of choice of executional modalities, which could hamper the impact of the round tables. It is felt that the impact of the round-table process is likely to be diminished if the role of donors and development agencies outside the United Nations system and the Governments is not adequately taken into account. Finally, in connection with the suggested

channelling of resources directly to UNDP, it should be recalled that UNDP normally acts as a funding agency and not as an executing agency.

> Recommendation 2. With the aim of simplifying round-table activities and avoiding duplication, round tables should leave to NaTCAPs the task of assisting the Governments concerned in setting up or strengthening services responsible for collecting data and statistics on aid and technical cooperation, the coordination of aid and channelling it towards the execution of operational projects and programmes. These activities should be designed to enable the beneficiary Governments effectively to undertake, without assistance, all tasks relating to the coordination and management of aid and technical cooperation. In conjunction with the few least developed countries still without NaTCAP arrangements, UNDP should consider the possibility of concluding agreements to introduce this procedure and achieving with them a rational distribution of tasks between round tables and the NaTCAPs.

18. The general thrust of this recommendation can be supported as a means of reducing duplication between the round tables and NaTCAPs and thus leading to a rationalization in the distribution of tasks between the two mechanisms. At the same time, it is felt that Governments should not be obliged to conclude any agreements, such as NaTCAPs, if they do not wish to do so. Besides, as has been mentioned above, there should be further clarification concerning the concepts of NaTCAPs and the round-table process, the interrelationships between the two mechanisms, as well as the distribution of tasks between them.

> Recommendation 3. In order to consolidate the various macroeconomic studies and economic and social programmes and plans, and to integrate them within long-term development strategies - while reducing overlapping, duplication, loss of time and the wasting of financial and human resources, UNDP should help the least developed countries concerned to set up, or strengthen, government services responsible for preparing and updating long-term strategies reflecting the Government's chief priorities and policies, and providing a framework for the action of the various bilateral and multilateral partners.

19. The United Nations organizations, funds and programmes are in full agreement with this recommendation of the Inspector and feel that the round-table process can serve as an effective means of aiding countries in the preparation of long-term development strategies. It should be noted that UNDP has been actively assisting the least developed countries in strengthening their national institutions responsible for the elaboration and updating of long-term strategies. At the same time, we strongly believe that the contribution of other organizations and agencies of the United Nations system in that regard should also be more clearly acknowledged in the report.

Notes

a/ Report of the Second United Nations Conference on the Least Developed Countries, Paris, 3-14 September 1990 (A/CONF.147/18), part one.